## MINUTES OF THE WORKSHOP MEETING OF THE BOARD OF TEXAS DEPARTMENT OF MOTOR VEHICLES HELD ON WEDNESDAY, JANUARY 4, 2012

- 1. <u>Call to Order.</u> Pursuant to published notice, a workshop meeting of the Board of the Texas Department of Motor Vehicles was held on Wednesday, January 4, 2012, beginning at 9:00 a.m. in the Lone Star Room of the Texas Department of Motor Vehicles located at 4000 Jackson Avenue, Building 1, First Floor, Austin, Texas. The meeting was called to order by Chairman Victor Vandergriff. Chairman Vandergriff noted that the meeting notice had been filed with the Office of the Secretary of State on December 22, 2011. (9:00 a.m.).
- 2. <u>Roll Call.</u> Chairman Vandergriff, Vice-Chair Laura Ryan, and Board Members Blake Ingram, Cheryl Johnson, Raymond Palacios, Victor Rodriguez, and Johnny Walker were present. Chairman Vandergriff declared a quorum. Staff workshop participants present were Linda M. Flores, Interim Executive Director and Chief Financial Officer; Brett Bray, General Counsel and Interim Motor Carrier Division Director; Jeremiah Kuntz, Government and Strategic Communications Division Director; Randy Elliston, Vehicle Titles and Registration Division Director; William P. Harbeson, Enforcement Division Director and Interim Motor Vehicle Division Director; Ginny Booton Consumer Relations Division Director; Charles Caldwell, Automobile Burglary and Theft Prevention Division Director; Jeannie Weaver, Organizational Development Consultant; Sharon Brewer, Human Resources Manager; Carol Davis, Motor Carrier Oversize/Overweight Section Manager; Bill Lawler, Internal Auditor; Julie Beisert, Development & Planning Coordinator; and Gloria Smith, Executive Assistant. (9:02 a.m.).
- 3. Public Comment Period. Margaret Carter, Texas Department of Motor Vehicle employee, commented on her previous five year employment with Texas Department of Transportation (TxDOT), Motor Carrier Division. Ms. Carter stated that she reviewed the Human Resources polices. Ms. Carter specified that the Board transcripts told personnel what a good job they did more than one time. She explained that it was easy to forget the other people and the agency was working with the top division personnel. She commented on the Employees' Advisory Committee disbandment. She provided that when the ties between Texas Department of Motor Vehicles and the [TxDOT's] Civil Rights were severed, her complaint was kicked back to Brett Bray, Director of Legal, and this was a conflict. She stated that all other employment issues had been dismissed. (9:05 a.m.).

Board Member Rodriguez requested that the Board go into executive session to discuss. (9:08 a.m.).

Executive Session Pursuant to Government Code, Chapter 551. Chairman Vandergriff stated that the meeting would be recessed in two minutes to go into executive session regarding personnel matters, Agenda Item 1.B., with legal counsel. (9:09 a.m.).

Chairman Vandergriff stated the Board was back from executive session with no action taken. The meeting was back in session and the Board would move forward with what Ms. Carter brought up and address it at the next meeting. (9:25 a.m.).

**4.** <u>Board Governance and Agency Governance.</u> Mike Conduff, The Elim Group, introduced himself and discussed his background in board governance. Mr. Conduff, the Board, and staff workshop participants discussed the topics of his PowerPoint presentation, *The OnTarget Board Member: 8 Indisputable Behaviors, Texas Department of Motor Vehicles*:

- True Leadership
- Leadership & Culture
- Once Upon a Time
- It's About Behaviors
- Also About Skills
- Behavior One Act On Behalf
  - o Owners & Customers
  - o Who Are You??
  - The Private Sector Knows!
  - o Ownership Linkage
- Behavior Two Know Their Job
  - Coach Joe Raso
  - Get Me There Safely!
  - o Is It a Performance?
  - o Or a Meeting?
  - o Remember We are Practicing
- Behavior Three Set Targets
  - o Ends Look to the Future!
  - o How Does It End?
  - o Thomas Jefferson's Vision
  - o Lewis & Clark's Journey
  - o I Have a Dream
  - The Big Rock Theory of Governance!
  - o What Are YOUR Big Rocks?
- Behavior Four Identify Risk
  - o Some Things Are Fatal
  - o The Big Question
- Behavior Five Delegate the Work
  - o Words Are Powerful!
  - o Quality Quantifiers
- Behavior Six Assess Performance
  - o The Wild Blue Yonder
  - Empowerment
  - o Trust
  - o Honesty and Openness
  - o Clear Purpose
  - o Clear Roles
  - o Board/CEO Relationship
- Behavior Seven Practice Discipline
  - o Practice Makes. . . Permanent
  - o Language is Important
  - o Monitor Yourself Too!
  - o Perception Matters
- Behavior Eight Report Back
  - o Full Circle Linkage
  - Should Do/Must Do
  - o Why a Target? (9:32 a.m.).

## **BREAK** (12:05 p.m.).

Mr. Conduff continued the workshop. The staff's "must nevers" were discussed, including never do anything illegal, never do anything to embarrass the Board in public, never mislead, never be insubordinate, never tolerate the status quo, and never blindly follow. (12:15 p.m.).

## **BREAK** (12:55 p.m.).

Board Member Rodriguez had an additional question for Mr. Conduff and for workshop discussion. He stated the "must nevers" were discussed regarding staff, but the "must nevers" for Board members were not. Board Member Rodriguez requested Linda Flores keep staff after the workshop and ask each staff member to write down one thing which they considered were "must nevers" for Board members. Chairman Vandergriff agreed. (1:10 p.m.).

- **5.** Organizational Assessment findings and improvement priorities. David Eisenlohr, Azimuth Group, introduced himself. Mr. Eishnlohr, the Board, and staff workshop participants discussed the topics of his PowerPoint presentation, *Texas Department of Motor Vehicles Organizational Assessment Workshop:* 
  - McKinsey 7s Assessment Model
    - Strategy
    - o Systems
    - o Structure
    - o Staffing
    - o Skills
    - Shared Values/Style
  - Findings & Improvement Opportunities
    - o Findings: Strategy
    - Opportunities: Strategy
    - Findings: Systems/Processes
    - o Opportunities: Systems/Processes
    - o Findings: Structure
    - o Opportunities: Structure
    - o Findings: Staffing
    - o Opportunities: Staffing
    - o Findings: Skills
    - o Opportunities: Skills
    - o Findings: Shared Values/Style
    - o Opportunities: Shared Values/Style

Mr. Eisenlohr discussed with the Board and staff workshop participants the assessment results. He discussed how the organizational assessment worked with the Business Process Analysis (BPA). There was discussion on whether the Board was implementing all 24 initiatives. Vice-Chair Ryan explained that what should be completed by the Board and what should be completed by the staff needed to be identified. Mr. Eisenlohr suggested the Board attempt to move forward. Vice-Chair Ryan responded that, based on what the Board learned this morning, she suggested that the Board not decide today. Chairman Vandergriff stated that the Board previously adopted the report and Linda Flores and others were moving forward on it. Ms. Flores stated that the staff heard the overall decisions and took the work product from Julie Beisert and staff. Finance used it for the agency strategic plan and staff already had discussions with the Legislative Budget Board (LBB). The LBB had some different ideas; the agency strategic plan is under their review and it may come back with different performance

measures. Ms. Flores explained the Department may have two plans. She stated that staff was trying to marry the Board's strategic plan and the State strategic plan. Ms. Flores added that at the January meeting, a draft will be presented to the Board to bless regarding the agency's goals and objectives. Ms. Flores stated that the LBB is all about the financial aspects. Mr. Eisenlohr added that the Board should look at the plans and tie them to what the Board wants. There was discussion on legislative authority. Ms. Flores stated that the Department would not know until late spring regarding the report to the LBB.

Mr. Eisenlohr asked if the Board had conveyed their plan to the staff. Vice-Chair Ryan questioned what did Ms. Flores and her staff need from Mr. Eisenlohr today. Ms. Flores responded to focus on the organizational structure, discuss the Enterprise Project Manager (EPM) and how the position reports to the Executive Director. Board Member Walker questioned what this person did. Ms. Flores stated that everyone is familiar with the matrix. She added the theory is that the EPM would pull resources from different parts of the agency and use the personnel as needed for specific projects. When the personnel were no longer needed, they would return to their department positions.

Chairman Vandergriff explained that the BPA is more about the process, not technology. The BPA is technology driven, but we must put the process in place first. The Organizational Structure Chart was discussed further. Vice-Chair Ryan added that the Board talked about four things -- the organization, the culture, the leadership, and the BPA process and technology. Greg Fisher stated that they looked at duplicity. The EPM role is the orchestrator. The Department needed to hire state FTEs and contractors to make the EPM office. Ms. Flores added that there was not enough work yet; however, some positions were posted to get the right people when the bulk of the work starts.

Mr. Eisenlohr added that they looked at best practices in other DMV offices, including branding and self-service. Vice-Chair Ryan commented that we have not tackled that because it is soft. Ms. Flores stated that we need to identify all of the pieces, including oversize and overweight. Ms. Flores added that she has a meeting with the Texas Facilities Commission on Monday to discuss the issue of consolidating everyone in one place.

There was discussion of the organization chart additions of Deputy Executive Director (DED), Civil Rights, Oversize/Overweight Permitting, and Risk Management. Mr. Eisenlohr explained that the DED would focus on the daily operations for the divisions. There was discussion about how the DED oversight was limited to oversight of three divisions and the limitation on direct contact between the Executive Director and these three core divisions. Mr. Eisenlohr stated the Civil Rights Division was added because it is required by law. Risk Management was also discussed, including the differences between it and the internal auditor position. (1:20 p.m.).

Board Member Rodriguez departed. (2:30 p.m.).

Board Member Palacios departed. (3:20 p.m.).

Board Member Johnson departed. (3:30 p.m.).

**Business Process Analysis.** Greg Fisher, BPA Project Manager; Niki St. Pierre, BPA OCM Project Manager; Rob Cohan, Gartner; and Magnus Karlsson, Gartner, provided an update and discussed:

- Licensing, Administration, Consumer Affairs and Enforcement (LACE)
- Establishment of Enterprise Program Management Office (EPMO)
- Governance
- Use of automation to support improvements and initiatives
- Possible Procurements
- DIR Waiver
- Defining the future architecture for technology solutions
- Touch points with the Organizational Assessment
- Timeline for implementation

Greg Fisher discussed LACE. He discussed the preliminary findings of the current system and the options for a future system. He mentioned Texas Project Delivery Framework and a possible DIR waiver. He explained that there were procurement guidelines which Department procurement personnel were researching.

Mr. Fisher discussed the EPMO and the 19 initiatives. Vice-Chair Ryan asked how the BPA was including the EPMO. Magnus Karlsson explained that they looked at all projects, not just the 19 initiatives. Mr. Karlsson stated that the project importance needed to be examined because only a limited amount of projects could be addressed. Mr. Fisher explained they looked at how many times staff touches applications and the future architecture. He further provided that the terms of scope of the EPMO and governance has some aspects on how to look at the process.

Vice-Chair Ryan added that we have talked about phases and culture changes to help the Board determine where the process is, but the Board is struggling with it and the 19 initiatives. She added that the Board would have to buy into it and a timeline could assist with solidifying it. Vice-Chair Ryan requested a summary of the two year technical process be included in the timeline provided in the weekly updates through the Chain-of-Command. Chairman Vandergriff added the information included should be in plain English with costs and benefits.

Mr. Fisher added that the BPA and Organizational Assessment complement each other and how to make items actionable and manageable. Mr. Bray addressed concerns regarding implementation and the next legislative session. Chairman Vandergriff added that the Department would need to be able to provide the legislature with an update of what the Department had accomplished and what the Department hoped to accomplish in order to acquire future funding. Vice-Chair Ryan added that the timeline needed to include additional information to address legislative concerns.

Chairman Vandergriff complimented Mr. Harbeson on the internal role change and Ginny Booton on complaints being down fifty percent. Ginny Booton added that the organizational change management was a critical piece.

Ms. Flores questioned whether the initiatives were approved and for the staff to put in place. Jeremiah Kuntz questioned whether it was clear regarding adoption, accepting and implementation and he further added that we were at a crossroad. Chairman Vandergriff stated we have to decide and the Request for Proposal would tell the timeline. Rob Cohen provided that the Gartner timeline will give the legislative session information, budget information and the business requirements, but the missing links would be the "to be" architecture and how far the dollars would go. There was further discussion of integrating the Organizational Assessment

with the BPA and their assessment when the Board receives the requested timeline. (3:35 p.m.).

Adjournment: 4:38 p.m.

Date: February 24, 2012

Respectfully submitted,

**Brett Bray** 

General Counsel

Read and approved this 7th day of March, 2012.

Victor Vandergriff, Chairman

Board of the Texas Department of Motor Vehicles